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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY

Rumania/USSR

SUBJECT

Progress on Danube - Black Sea Canal/Alleged
Real Reason for Canal: Development of Danube
Naval Base/Soviet Economic Exploitation
Constanta

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Danube-Black Sea Canal

2. "Rumors that work on the Danube-Black Sea Canal has stopped seem to be without foundation. The work is always going on, although no one seriously thinks that the Canal will be open for use by 1955, as stipulated in the construction plan.
3. "The Canal route will be about 70 km long. It crosses the northern Dobruja in a northwest direction, running from the Danube harbor of Cernavoda, along the waterlogged bed of the Caras, through the small town of Medgidia. After Medgidia the Canal twists in a northeast direction and cuts across rocky ground. Finally, through Lake Sutgiol, sig, it reaches the Black Sea at a point near the small fishing village of Midia, some 20 km north of Constanta.
4. "The existing harbors and towns on the Canal route, eg Cernavoda, Medgidia and Poarta-Alba are to be developed extensively. A new seaport, Capul Midia, is to be built at the Canal's outlet. It is said that it is to be larger than the port at Constanta. It will cover an area of about 1,900 acres. Its quay will be 2,300 feet long. The port warehouses under roof will provide 97,000 sq ft of storage space. The construction of the port is planned in three independent sections, each to be put into use immediately upon completion. All the cranes and other transport and loading installations are to be electrified. The construction work at Capul Midia is directed by Traian Nogulescu, a young Rumanian engineer who studied in the USSR and returned to Rumania only three years ago [presumably 1950].
5. "The USSR and the 'countries of People's Democracy' have been sending large quantities of machinery and equipment to the Canal project. Recently [date not specified] an enormous floating crane, able to lift 50-ton concrete slabs to a height of 20 meters and to transfer them a distance of 40 meters, arrived from Odessa for the Capul Midia construction. Many ships, mainly of Polish and Soviet register, call at the port of Constanta. According to official versions, they are all bringing construction machines and materials. According to widespread Constanta rumor, these ships also carry many cargos which have nothing to do with the Canal.

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6. "It is not easy to observe operations at the Canal site. A 'forbidden zone' begins one km from Mamaia and stretches all along the construction area. To enter this forbidden zone, a pass from the Securitatea headquarters in Bucharest is required. During the International Youth Congress [August 1953] many excursions were organized to the Canal. Foreign youths were even allowed to offer to do voluntary work on the construction. These foreigners were under the impression that they could wander wherever they liked, with the help of polite guides who explained to them the details of the great project. In actual fact, the 'guides' were security officers, and the foreign youths were led to three carefully chosen sectors of the Canal.
7. "The total number of workers now engaged on the Canal construction is about 20,000. Nearly 13,000 are so-called 'administrative' prisoners from Rumanian forced labor camps. There are nine such camps along the Canal route. They hold all types of 'political and economic' offenders, including about 1,000 Rumanian officers and NCOs who fought on the side of the Axis on the Eastern front during World War II. All nine labor camps belonging to the Canal project are administered by Tudor Sepeanu, a high official of the General Directorate of Prisons, Ministry of Interior.
8. "The construction works are guarded by a strong force of Rumanian security troops under the command of Lt. Col. Marina Banica. The whole Canal site is divided into four zones, each commanded by a Securitatea officer:

Cap*. Ion Georgescu
Lt. Floria Mihalescu
Capt. Radu Grancea
Lt. Liviu Borcea

9. "In the small village of Novodari [sic] on the bank of the Canal site, the CP has established headquarters for its Agitprop office assigned to conduct the political education of the Canal workers. The office is headed by Petru Mateiescu. It is not at all interested in the political morale of the prisoners. It operates exclusively among the free workers. The main purpose of the agitation talks is to persuade those workers to pledge voluntarily some extra unpaid work on the construction. The working week lasts six full 10-hour days. The agitators aim to make the workers work at least four extra hours on the seventh day.
10. "An infirmary for the Canal workers has been established in the village of Medgidia. It has only 18 beds. (As stated above, there are about 20,000 workers) and is located in the unhealthy, marshy Caras valley. Sooner or later all the workers get malaria. Three doctors are assigned to this infirmary; one is the official doctor of the frontier security troops. They are aided by five male nurses and one pharmaceutical assistant.
11. "Mamaia is the last coastal point which can be reached from Constanta without a pass. In that pre-World War II resort a holiday center has been organized for workers in the Rumanian oil fields. It is well known that to get to stay there, one must be a high administrative officer, a Party official from the 'oil valley' or a Stakhanovite worker.

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12. [] the stretch of Black Sea coast near Constanta before World War II. Constanta, Mamaia and other towns in that area strike one now as being dirty and neglected. One gets a better impression south of Constanta: the roads are comparatively good; flower beds have been arranged here and there; buildings have been repaired. This was probably due to the International Youth Festival, as summer camps for Communist youths were set up in that neighborhood. Mamaia itself, in its present character, is to be obliterated. It will be engulfed in the great complex of seaports to spread from Constanta to Capul Midia.

Alleged Real Reason For Canal: Development of Danube Naval Base

13. "The official explanation of this enormous Canal project cites purely economic reasons, which are certainly convincing, namely:

(a) The new Canal will shorten the route from the Danube to the Black Sea by at least 250 km.

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(b) The Canal will irrigate the dry areas of the part of the Dobruja which belongs to Rumania.

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(c) Through this Canal, ships of the coastal sea traffic will obtain access to the Danube River. These ships have not been able to pass through Cernavoda, where the Bala Canal drains the Danube of about 30% of its waters. Nor have they been able to enter Sulina, where the water level is too low.

- 25X1 14. "But another major reason for this project is the strategic plan to establish a large base on the Danube, between Braila and Harsova, for a flat-bottomed naval river fleet. It is not known whether this fleet will operate under Rumanian or Soviet command. The latter would be indicated by the fact that the construction of this base is being directed from Reni which is in Soviet territory.
15. "This river fleet is to have a wide range of operation, extending to the farthest reaches of the Danube. It is to be composed of flat-bottomed 'glider-boats' of Soviet construction, able to develop a high speed and maneuver quickly. These boats are adapted to night raids and strongly armed. The base is to be protected by a strong concentration of antiaircraft artillery and by the so-called 'Antipa knots', which are the Soviet-invented protection against paracutists [not explained].
16. "Construction on this base is still in a preparatory stage. Ships passing that stretch of the Danube can observe little of interest. The chief engineer in charge of the works, who has his office in Reni, [sic, Ukraine, USSR] is a Soviet who until the end of 1952 acted as Soviet adviser at the construction of the Danube-Black Sea Canal.
17. "Only when Danubian traffic can be diverted from its present route, Cernavoda-Danube Estuary, will it become possible to operate this naval river base and to provide suitable camouflage for it. That is why the construction of the Canal is of strategic importance.

Soviet Economic Exploitation

- 25X1 18. [redacted] the 'ruthless economic exploitation' of their country by the USSR is a fact known to all. This exploitation by no means ended with the \$300 million in war reparations imposed by the USSR on Rumania. The main instruments of Soviet exploitation are the mixed Soviet-Rumanian companies (SOVROMS) which control the internal markets of the country and purchase Rumanian goods for 'export' to the USSR.
19. "Fourteen such companies exist in Rumania at present. It is estimated that with their activity the USSR has extracted some two milliard dollars from Rumania to date. [redacted] some prices paid by the USSR for Rumanian exports' arranged through SOVRUM companies:

25X1 A cubic meter of timber cost the USSR in September 1953 500 lei, including the
25X1 transport to a Soviet ship or Soviet frontier station. Price in Rumania, without delivery: 1,900 lei.

For one kg of cement the USSR pays 3.5 lei. Market price in Rumania: 20 lei.
Production price: 5 lei.

One kg of iron scrap sells for 2 lei in Rumania. The USSR buys railway engines from Rumania at a price based on the weight of the iron, paying 1/2 leu per kg.

In Constanta no less than 75% of the harbor warehouses are the property of either SOVRUMTRANSPORT or SOVRUMCONSTRUKCIA."

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